

# Take a green poultice and call the next prime minister: Mr. Chrétien's remedy in federal health policy

## THE THREE PHASES OF MEDICARE POLICY

Chrétien's legacy to Medicare can be viewed through the lens of his three terms in office—the first a period of re-trenchment and study, the second, an effort to buy off provincial discontent with federal money; and the third and final period, characterized by further study, further money, and a paralysis in leadership.

In the early 1990s, the entire effort of the government of Canada was focused on constraining the growth of the federal deficit. However, as promised in the Red Book, in October 1994, the National Forum on Health was created to advise the federal government on innovative ways to improve the health system and the health of Canadians. The forum consisted of 24 volunteer members, including the federal minister of health, and the prime minister. Being largely a creation of the federal government, it was perhaps not surprising that while the forum's ideas were well received by academics and did to a limited extent penetrate provincial policy circles, the forum's recommendations were largely unimplemented.

While the forum was doing its work, the federal government was busy folding the Canada Assistance Plan with Established Program Financing, and creating one consolidated and much smaller Canadian Health and Social Transfer regime. The passing on of enormous fiscal pressure to the provinces gave rise to a whole set of cost-reduction strategies arising from this tricky transfer, and the pressures to cut services were shifted from the federal to provincial levels of government. The result of this was that between 1990 and 1996, total real per capita spending on health in Canada rose by 3.6 percent, but total real per

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capita *public* spending declined by 2.3 percent. Slamming on the brakes of fiscal constraint had effects throughout the system and inflicted lasting damage on federal-provincial relations in health care.

## THE HEALTH TRANSITION FUND

The National Forum on Health sketched out a number of areas for reform and called for both a national home care and national pharmacare effort. In addition, the forum called for primary care reform and greater investment in research. The federal government then began a new effort to steer some provincial reform efforts, not through direct transfers, but by creating the "Health Transition Fund," to promote primary care reform and improved wait list management in Canada. While the work of the National Health Forum created a sense of optimism and direction for the health care system, the fiscal squeeze of the early '90s took an

enormous toll on provincial governments and, consequently, hospital and community agencies. It also took an enormous toll on Canadian confidence in Medicare and support for publicly funded Medicare—always historically very high in Canada—started to decline.

In the fall of 2000, Chrétien convened the first meeting of the first ministers to announce a major federal investment in transfers related to health, and provided close to 23 billion dollars in new investments related to health, including—among other things—large investment in health infrastructure. These funds were delivered to the provinces on the eve of an election call, virtually without conditions. Some of the funds were later discovered to have been spent on lawnmowers and other surprise areas by the provinces. This manoeuvring on the part of the prime minister and the federal government was blatant and the whole effort was seen for what it was—an unsuccessful attempt to buy back moral authority by the federal government in the health sector.

## THE ROMANOW COMMISSION

On April 4, 2001 (a mere seven months since the last giveaway of federal funds), Chrétien, now in his last term in office, appointed Roy Romanow to head the National Commission on Medicare. And during the period 2001 to 2003, the national psyche was seized with matters of Canadian values and vision related to health reform, precipitated in large measure by Mr. Romanow's commission and Michael Kirby's parallel Senate investigations into health reform. In February 2003, Chrétien convened a second first ministers meeting related to health care to deal with recommendations arising from the Romanow commission.

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but suffice it to say that they are just as restrictive as the discourse analyzed above would suggest.

The treaty practices first required explicit and, now, implicit extinguishment of rights not mentioned in the agreements, as the *Dogrib* formula for “certainty” has been described. Legislation recently both adopted and tabled was no better—it grants only administrative pow-

ers on land and governance on the precondition that the bands to whom these limited powers are recognized adopt codes regulating behaviour and dealing with prescribed topics, including alienation of lands, which was unacceptable in traditional aboriginal law.

Given the assimilative and restrictive policies that were defended in the Commons and implemented in government

while Chrétien was either minister for Indian Affairs, or influential on his colleagues even before he became prime minister and was able to appoint Robert Nault to finish his job for him, we can only conclude that if he leaves politics with a reputation for open mindedness or even enlightened self-interest, he will have earned it elsewhere than in the field of aboriginal affairs. ❁

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Once again the feds “negotiated” an agreement in which \$27 billion new dollars were transferred, but little was returned. With almost a year passed since the February 2003 accord, governments in Canada have shown little interest in acting on the major recommendations arising from Mr. Romanow, nor have they shown much appetite for living up to their end of the February 2003 bargain—that being, the establishment of a National Health Council, the definition of base elements in a national home care program, and the national establishment of a common, catastrophic drug insurance program.

So how has Chrétien fared? Notwithstanding the major fiscal squeeze arising from the recession of the early 1990s and the downward transfer of fiscal obligations to the provinces, Chrétien has quietly stood behind Canadian values in health reform. In the creation of the National Health Forum he advanced a moderate Canadian vision of reform with a wide consensus of policy elites in the country. In appointing Mr. Romanow, he stood once again close

to Canadian values in identifying a leader of immediate credibility and integrity for the Canadian public.

In contrast, Chrétien has failed to secure a solid footing for the future of Medicare and in particular to provide any significant improvement in the scope of coverage challenges that have plagued Medicare for the last 20 years, as care has shifted out of the hospital and into the community. In addition, with pharmaceuticals rising faster than other expenditures in the health care sector, there is no national formulary or national catastrophic drug program on the horizon to pick up from the calls of the National Forum or Mr. Romanow.

### THE HEALTH CARE LEGACY

In many respects, Chrétien appears to have acted as a leader spooked by the extremely narrow victory of the federalist forces in the Quebec sovereignty vote of October 1995. He never quite recovered political stability on federal-provincial relations. The ghost of regional succession threats has stalked a fearful and tentative federal govern-

ment during Chrétien’s tenure. Nowhere is this truer than in the health care sector, where the federal government has had a strong and forceful mandate to act arising from the Romanow commission, and has been unable to expand coverage in a fashion anticipated by the National Forum and Romanow reports.

Chrétien has protected Medicare from the worst—wholesale privatization—but the triumph of the politics of pragmatism over the politics of principle has allowed creeping privatization, particularly in the financing of community care and pharmaceuticals. And this is slowly and surely eating away at the heart of Medicare—national coverage for medically necessary services. Without strong federal leadership, the prognosis for Medicare is poor. Ironically, perhaps it will fall to his successor, Mr. Martin, to finally announce the creation of a National Health Council for Canada, and take a more vigorous set of steps to re-establish a federal presence and extended federal base of coverage for health in Canada. ❁

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The city’s task force recommended that the federal government get tough with the province. In its view, the federal government was not enforcing the accountability provisions of SUFA. The task force argued that the federal government should provide additional support to those provinces that have integrated child care into their plans for early child-

hood development. And in cases where the provinces fail to comply, the federal government should enter into direct funding agreements with municipalities (the SCPI model).

In the 2003 budget, the federal government made a tangible and dedicated commitment to child care. The government committed \$900 million over five

years, and invited the provinces to the table. This set the stage for another Ottawa–Ontario confrontation; the federal government’s funds were to be spent on regulated child care, but the province of Ontario favoured the inclusion of informal child care arrangements. In the end, the governments agreed that the pro-

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